



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Performance Audit

Michigan State University

Report Number:
33-150-02

Released:
July 2005

Michigan State University was established by Act 130, P.A. 1855, as the Agricultural College of the State of Michigan. The University was the nation's first agricultural college and one of its first land-grant universities. The University's mission is to seek, to teach, and to preserve knowledge through excellence in research, teaching, and outreach. The University accomplishes its mission by offering a comprehensive spectrum of programs to students of varying interests, abilities, backgrounds, and expectations.

Audit Objective:

To assess the effectiveness of the University's efforts to administer its capital construction and renovation projects.

Conclusion:

We concluded that the University's efforts to administer its capital construction and renovation projects were generally effective.

Reportable Conditions:

The University needs to improve its review of contractor billings. Also, the University needs to revise construction contract provisions related to contractor overhead and profit billings. (Finding 1)

The University needs to ensure that architects and construction contractors purchase and maintain insurance and performance and payment bonds required by contract (Finding 2).

The University did not submit use and finance statements to the Joint Capital Outlay Subcommittee for some non-State-

funded capital outlay projects exceeding \$1 million (Finding 3).

The University needs to develop more consistent and formal post-evaluations of its construction projects (Finding 4).

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Audit Objective:

To assess the effectiveness and efficiency of the University's use of selected instructional resources.

Conclusion:

We concluded that the University's use of selected instructional resources was generally effective and efficient.

Reportable Conditions:

The University needs to ensure that faculty members submit sabbatical leave reports as required by University policy (Finding 5).

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Agency Response:

Our audit report contains 5 findings and 7 corresponding recommendations. The University's preliminary response indicated that it agrees with all 7 recommendations.

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A copy of the full report can be
obtained by calling 517.334.8050
or by visiting our Web site at:
<http://audgen.michigan.gov>



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